

**UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF MICHIGAN**

UNITED STATES OF AMERICA,

CIVIL ACTION NO.:

Plaintiff,

HONORABLE:

vs.

PRAISE WORTHY,

Defendant,

COMPLAINT

TO THE HONORABLE UNITED STATES DISTRICT COURT JUDGE:

The United States of America, plaintiff, alleges that:

Jurisdiction

1. This court has jurisdiction over the subject matter of this action pursuant to Article III, Section 2, U.S. Constitution and 28 U.S.C. § 1334.

Venue

2. The defendant is a resident of Wayne County, Michigan within the jurisdiction of this Court and may be served with service of process at 1231 State Fair, Apt. 718, Detroit, MI 48203.

The Debt – Account No. 1999A14594

3. The debt owed to the United States of America is as follows:

| | |
|---|--------------------|
| A. Current Principal (<i>after application of all prior payments, credits, and offsets</i>) | \$4,212.91 |
| B. Current Capitalized Interest Balance and Accrued Interest | \$2,451.87 |
| C. Accrued Capitalized Interest since January 25, 1997 | \$6,065.37 |
| Total Owed | \$12,730.15 |

The Certificate of Indebtedness, attached as Exhibit "A", shows the total owed excluding attorney's fees and CIF charges. The principal balance and interest balance shown on the Certificate of

Indebtedness is correct as the date of the Certificate of Indebtedness after application of all prior payments, credits and offsets. Prejudgment interest accrues at the rate of 7.51% per annum.

Failure to Pay

4. Demand has been made upon the defendant for payment of the indebtedness, and the defendant has neglected and refused to pay the same.

WHEREFORE, USA prays for judgment:

- A. For the sums set forth in paragraph 3 above, plus prejudgment interest through the date of judgment, all administrative costs allowed by law, and post-judgment interest pursuant to 28 U.S.C. § 1961 and that interest on the judgment be at the legal rate until paid in full;
- B. For attorney's fees to the extent allowed by law;
- C. Filing fee of \$350.00 as premitted by 28 U.S.C. § 2412(a)(2); and,
- D. For such other relief which the Court deems proper.

Respectfully submitted,

By: /s/ Craig S. Schoenherr, Sr.
CRAIG S. SCHOENHERR, SR. (P32245)
Attorney for Plaintiff
O'Reilly Rancilio PC
12900 Hall Rd Ste 350
Sterling Heights, MI 48313
Phone: (586) 726-1000
Fax: (586) 726-1560
cschoenherr@orlaw.com

DEPARTMENT OF EDUCATION
SAN FRANCISCO, CALIFORNIA

CERTIFICATE OF INDEBTEDNESS

Name: PRAISE WORTHY
AKA: N/A
Address: 14851 LAUDER
DETROIT, MI. 48227
SSN: [REDACTED]

Total debt due the United States as of 01-25-97 : \$ 6,664.78

I certify that Department of Education records show that the debtor named above is indebted to the United States in the amount stated above, plus additional interest on the principal balance of \$ 4,212.91 from 01-25-97 at the annual rate of 7.51%. Interest accrues on the principal amount of this debt at the rate of \$ 0.87 per day.

The claim arose in connection with Government insured or guaranteed loan(s) made by a private lender and assigned to the United States.

On 04-14-88 the debtor executed promissory note(s) to secure loan(s) from PENNBANK, ST. PAUL, MN., under loan guaranty programs authorized under Title IV-B of the Higher Education Act of 1965, as amended, 20 U.S.C. 1071 et. seq (34 C.F.R. Part 682). The holder demanded payment according to the terms of the note(s) and on 09-09-88 the debtor defaulted on the obligation.

Pursuant to 34 C.F.R. 682.202 and/or terms of the promissory note(s) the holder(s) capitalized interest accrued to the original lender to the amount of \$ 212.91 thereby increasing the principal balance due to \$ 4,212.91 .

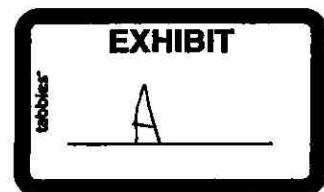
After application of the last voluntary payment of \$ 0.00 which was received on N/A the debtor now owes the following:

| | |
|----------------------------------|-------------|
| Principal: | \$ 4,212.91 |
| Interest: | \$ 2,451.87 |
| Administrative/Collection Costs: | \$ 0.00 |
| Penalties: | \$ 0.00 |

CERTIFICATION: Pursuant to 28 USC section 1746, I certify under penalty of perjury that the foregoing is true and correct.

2/6/97
(Date)

Jeanne Rieser
(Loan Analyst)



HIGHER EDUCATION ASSISTANCE FOUNDATION
P.O. BOX 64788 • ST. PAUL, MN 55164-0788

After school completion application. LENDER COPY
mail HEAF and LENDER copies to this address.

SUPPLEMENTAL LOAN FOR
STUDENTS (SLS) APPLICATION
PROMISSORY NOTE

SECTION A - TO BE COMPLETED BY BORROWER (PRINT IN INK - PRESS FIRMLY OR TYPE)

1 NAME (LAST, FIRST, MIDDLE)

2 PERMANENT ADDRESS

CITY

STATE

ZIP CODE

3 ADDRESS WHILE IN SCHOOL (STREET, CITY, STATE, ZIP)

CITY

STATE

ZIP CODE

4 U.S. CITIZENSHIP STATUS (CHECK ONE)

5 U.S. CITIZEN OR

6 PERMANENT RESIDENT OR P.W.

7 OTHER ELIGIBLE ALLEN

8 NATIONALITY

9 ADDRESS WHILE IN SCHOOL (STREET, CITY, STATE, ZIP)

CITY

STATE

ZIP CODE

10 PHONE AT SCHOOL ADDRESS

(313) 1838-0907

11 MAJOR COURSE OF STUDY
SEE RS "REGULAR IN APP BROCHURE"

12 PERIOD LOAN AMOUNT REQUESTED

13 PERIOD LOAN WILL COVER

14 DO YOU HAVE ANY PRIOR UNPAID SLS (ALAS) PLUS LOANS?

YES (GO TO 14B)

NO (GO TO 14C)

15 IF YES, TOTAL UNPAID PRINCIPAL BALANCE

8

16 IF YES, TOTAL UNPAID PRINCIPAL BALANCE OF MOST RECENT SLS (ALAS) PLUS LOANS

8

17 GRADE LEVEL OF MOST RECENT SLS (ALAS) PLUS LOANS

SEE INSTRUCTIONS IN APP BROCHURE

18 DO YOU HAVE ANY UNPAID PLUS LOANS IF YOU BORROWED AS A PARENT?

YES (GO TO 18B)

NO (GO TO 18C)

19 IF YES, TOTAL UNPAID PRINCIPAL BALANCE OF PLUS LOANS

8

20 IF YES, TOTAL UNPAID PRINCIPAL BALANCE OF PLUS LOANS

8

21 IF YES, EVER DEFOLIATED ON A SLS (ALAS) PLUS LOANS CONSIDERED FOR PAYMENT?

YES (GO TO 21A)

NO (GO TO 21B)

22 IF YOU QUALIFY FOR A DEFERMENT, DO YOU WISH TO DEFER PRINCIPAL PAYMENTS WHILE IN SCHOOL? IF YES, GO TO 23

YES

NO

23 YOUR LENDER MAY ALLOW THE INTEREST TO ACCRUE AND CAPITALIZE IT DURING THE DEFERMENT. YOUR LENDER MAY COLLECT THE INTEREST PAYABLE IN PERIODIC INSTALLMENTS IF YOUR LENDER GIVES YOU A CHOICE WHICH DO YOU PREFER?

ACCUM. CAPITALIZE

PERIODIC INSTALLMENT PAYMENTS

NOTICE TO BORROWER: You must read the additional Promissory Note terms and the Borrower's Certification on the reverse side before signing this Promissory Note. PROMISE TO PAY I promise to pay to the order of my lender the sum of Loan Amount Requested shown above, to the extent that it is disbursed to me, including the Guaranteed Fee and interest on the amount advanced through successive payments and conditions described on the reverse side of this Promissory Note and in the terms and conditions contained in the Disclosure Statement that will be provided to me no later than the time of the first disbursement of this note. I understand I must sign and date my signature on the Borrower's Certification on the reverse side of this Promissory Note. I understand that this is a Promissory Note. I will not sign if before reading all of its provisions, even if otherwise induced. I am entitled to a copy of this Promissory Note upon signing the Promissory Note I acknowledge that I have received an exact copy of it.

24 SIGNATURE OF BORROWER (APPLICATION CANNOT BE PROCESSED WITHOUT SIGNATURE)

X *Worthy*

SECTION B - TO BE COMPLETED BY SCHOOL

25 NAME OF SCHOOL

Lawton School

26 ADDRESS STREET, CITY, STATE, ZIP

6600 Plaza Dr. St. Paul, Minnesota 48226

27 CITY, STATE, ZIP

DETROIT MI 48226

28 PHONE

(313) 961-7936

29 SCHOOL CODE

012846-0005

30 PERIOD LOAN WILL COVER

FROM *5/2/88* TO *2/27/89*

31 STUDENT'S GRADE LEVEL (CHECK ONE)

UNDERGRAD

GRAD

INDEPENDENT

32 COST OF ATTENDANCE FOR LOAN PERIOD *5407*

33 ESTIMATED FINANCIAL AID FOR LOAN PERIOD *0*

34 DIFFERENCE ITEM 32 LESS ITEM 33 OR LEGAL MAXIMUM *5407*

35 WILL THE BORROWER BE ENROLLED FULL-TIME DURING THE LOAN PERIOD?

YES

UNTIL DATE *5/2/88*

36 SUGGESTED DISBURSEMENT DATE *5/2/88*

37 WILL THE STUDENT ATTEND A FOREIGN SCHOOL?

NO

38 SCHOOL USE ONLY

39 LENDER CODE

809854

40 BRANCH CODE

47

41 TOTAL LOAN AMOUNT APPROXIMATELY *\$ 00*

42 DISBURSEMENT DATE *MU 1 DAY*

43 DUE DATE OF FIRST PAYMENT *MU 1 DAY*

44 DUE DATE OF LAST PAYMENT *MU 1 DAY*

45 LENDER USE ONLY

120

46 DUE DATE OF FIRST PAYMENT *MU 1 DAY*

47 DUE DATE OF LAST PAYMENT *MU 1 DAY*

48 LENDER USE ONLY

120

49 DUE DATE OF LAST PAYMENT *MU 1 DAY*

50 LENDER USE ONLY

120

51 NUMBER OF MONTHLY PAYMENTS *120*

52 DUE DATE OF FIRST PAYMENT *MU 1 DAY*

53 LENDER ACCOUNT NUMBER *HEAF*

54 LENDER USE ONLY

HEAF

55 PRINT NAME AND TITLE *MR. FREDERIC T. A. COLLIER*

56 PRINT NAME AND TITLE *DIRECTOR OF FINANCIAL AID*

57 PROMISSORY NOTE APPROVAL INDICATOR *Approved #23*

58 APPROVAL DATE *5/2/88*

59 APPROVAL INDICATOR *#23*

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180 APPROVAL DATE *5/2/88*

SLS PROMISSORY NOTE**A. PROMISE TO PAY**

The interest and Guarantee Fee rates and terms mentioned in the Promise to Pay on the front of this application promissory note are:

1. Interest: For a PLUS or SLS loan made for a period of enrollment beginning prior to July 1, 1987, the applicable interest rate is 12% per year. For loans made for periods of enrollment beginning on or after July 1, 1987, the interest will be equivalent to interest on the loan amount shown on the front of this application promissory note at a variable rate not to exceed 12 percent per year. The interest rate will be determined annually and will be disclosed in the prior to disbursement of any loan. The interest rate for any year will be the rate published for that year by the U.S. Department of Education for variable-rate PLUS and SLS loans.

2. Guarantee Fee

HEAF may charge a fee to guarantee my loan. The amount of any such fee is the current plus application fees and HEAF's Policy and Rules and Regulations. The Guarantee Fee will be deducted from my check. I understand that this charge is not subject to refund except for the amount attributable to any disturbance in the amount of the loan which reduces my available option to defer payment to my loan balance. This statement will show the actual guarantee fee charged.

B. DISCLOSURE OF LOAN INFORMATION

I understand that before I receive my loan check, a statement that identifies all the terms of my loan.

C. GENERAL

I understand that the lender has applied for plus Higher Education Assistance Foundation (HEAF) and the terms of this Promissory Note will be set forth in the Higher Education Act of 1965 as amended under the Act and the Rules and Regulations of HEAF. This Note shall be governed by the laws of the state where it was signed.

D. REPAYMENT

1. I understand I can either defer principal payment immediately. These options are described below front of this application promissory note.

Deferral Payment: If I answer YES to #22, I've reasons exhausted under Deferral in the HEAF repayment period if the loan begins when due within 60 days of disbursement. However, at my lender's option, and in accordance with my statement,

a. be paid by me in installments; or
b. accrue and be added to the principal amount quarterly in accordance with laws and regulations I will contact the lender prior to expiration of the repayment period if I need to do so. I authorize the guidelines set forth in Paragraph 2 of this Note my lender must inform me of the terms in writing to the lender.

Immediate repayment: If I answer NO to #22, interest within 60 days of disbursement.

2. I will repay this loan within 10 years of the date generally lasts at least 5 years but no more than to these rules apply.

a. The lender may require a repayment plan ensure that during each year of the repayment GSLP, PLUS or SLS program loans outstanding, least \$600 or the unpaid principal balance of a b. If I qualify for any deferral period describe grants forbearance, those periods will not be honored above.

3. The particular terms and conditions of repayment loan disclosure statement that the lender.

4. My obligation to repay this loan shall be continually satisfied.

E. PREPAYMENT

At my option and without penalty, I may prepay at any time all or any part of the unpaid principal balance of this Note. In the event of prepayment, I will be entitled to a refund of any unearned interest which I have paid. The amount of any such rebate will be computed by the same method by which interest payments were computed.

F. DEFERMENT OF PAYMENT

In certain instances authorized by the Act, the payments I am required to make as described under Repayment in this Note may be deferred. The instances currently authorized by the Act are described under Deferral in the HEAF application information booklet. If I seek such deferral, I agree to comply with the relevant federal regulations and the Rules and Regulations of HEAF including without limitation submission of required forms to the lender. I will remain responsible for payment of interest during any period of deferral which my lender may: (a) collect on a periodic basis, or (b) add to the principal balance of the loan.

G. FORBEARANCE

If I am unable to repay this loan in accordance with the terms established under Repayment in the Note, I may request the lender to modify these terms. I understand that such modification would be at the lender's option and would have to be in compliance with the Act, federal regulations adopted under the Act and the Rules and Regulations of HEAF. I understand that a modification of repayment terms under this Section is different from Deferral as described in this Note in so far that during the period I will remain responsible for payment of interest, which the lender may: (a) collect from me on a periodic basis or (b) add to the principal balance of the loan.

H. DEFAULT

1. Definition—I understand that under the Act and HEAF Rules and Regulations, any of the following events is a default:
 - a. failing to make any installment payment when due, provided that this failure persists for 180 days for a loan repaid in monthly installments or 240 days for a loan repayable in less frequent installments;
 - b. making any false representation for the purpose of obtaining this loan;
 - c. using the loan proceeds for other than educational purposes;
 - d. failing to pay tuition at the school that completed the application for the time identified as my term period;
 - e. not returning the lender immediately (i) as drop to less than a half-time student, (ii) change my graduation date, (iii) change my name, or (iv) change my permanent address;
2. Consequences of default—If default on this loan:
 - a. The lender may declare the entire unpaid amount of the loan, including interest, immediately due and payable;
 - b. The lender, holder, or guaranty agency may disclose to schools I have attended (or am currently attending) information about the default;
 - c. I will be ineligible to receive assistance from all Title IV programs and any of the following federal programs: Pell Grant, Supplemental Educational Opportunity Grant, College Work-Study, State Student Incentive Grant, Perkins Loan (formerly called National Direct Student Loans), and the Consolidated Student Loan for Students (SLS), PLUS loans.

payment and Deferral in this Note, attorney's fees, that are permitted by law amounts. If this loan is referred for by Collection Process Act, I will pay my principal and accrued interest. Default is at the option of the lender which it is other requirements of law. Failure to do so is lender's right to exercise as the option to be required to pay HEAF all amounts

use charge if I fail to pay all or part of a is due or if I fail to provide written evidence as described under Deferral in each dollar of each late installment.

repayment will be reported to one or to loan, the lender, holder or guarantor organizations. This may significantly and

at least 30 days in advance that inform bureau organizations unless I enter into

use from any credit bureau organization about the accuracy and completeness of information

of the United States of America that; the true that the information contained in my to the best of my knowledge and belief under the SLS program. I authorize the me and my school. I hereby authorize the be due me up to the amount of this loan I may attend, or HEAF to release to the arms, any requested information pertinent to my loan history, current address, I also the educational institution or HEAF to to my lender under the SLS program, or prior application and related documents agent or HEAF to release information, loan application as references. I, the number I also authorize the of my credit and employment history with me. I certify that the proceeds of the maximum period stated on my loan on this application. I understand that I am which cannot reasonably be attributed to meeting educational expenses required to attendance at that institution for the loan period stated. I certify that if I am eligible to apply for a Pell Grant that I have done so and that I have requested my institution to estimate my eligibility for a Pell Grant. I certify that I am a born again eligible for participation in the PLUS or SLS program and that I do not owe a refund to any Title IV aid programs. I further certify that I have read the materials explaining the federal guaranteed student loan program which have been provided to me and that I understand my responsibilities and my rights under that program.

SCHOOL CERTIFICATION

I hereby certify that the student named in Section A of this application is accepted for enrollment or is enrolled as at least a half-time student and is making satisfactory progress in a program determined to be eligible for this loan program. I further certify that the student has been determined by this institution under the regulations applicable to this loan program, to be eligible for the loan applied for. I further certify that based upon records available at this institution and due inquiry to the student, the student has satisfied the requirements under the Selective Service Act necessary to receive financial aid, is not in default on any loan made under any Title IV student assistance program identified in 34 CFR Part 668, and is not liable for any refund of any grant made under any Title IV student assistance program identified in 34 CFR Part 668. I further certify that this institution will comply with all applicable provisions of federal law and the rules, regulations, policies, and procedures of HEAF in the administration of this loan. The information provided in Sections A and B and the School Certification is true, complete, and correct to the best of my knowledge and belief.

| | |
|--------------|------------------------|
| SIGNATURE | Karen Mosley |
| X | |
| TITLE | HSCA Claims Supervisor |
| DATE 9-27-89 | |

F028 10-87